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ARCHITECT SENTENCED TO FIVE YEARS FOR MORTGAGE FRAUD

Tampa, FL - U.S. Attorney A. Brian Albritton announces that Robert Policastro (age 57, most recently of Vienna, Austria) was sentenced today to five years and three months in federal prison for conspiracy to commit mail and wire fraud (mortgage fraud). The court also entered a money judgment in the amount of \$9,082,394.20, the proceeds of the mortgage fraud conspiracy. Policastro had pleaded guilty on May 17, 2010.

According to court documents, Policastro, who was an architect, conspired with a Florida licensed title agent to commit mortgage fraud. Policastro took out primary loans to buy several million-dollar properties in Miami, and then, without the knowledge of the primary lender, obtained a "silent second" loan on each property. The "silent seconds" financed Policastro's down payments for the properties and allowed him secretly to take money out of the deals. To hide the "silent seconds," the title agent prepared false, "dueling" HUD-1s to send to both the primary and the "silent second" lenders so that each was unaware that Policastro had obtained two loans on each property. The loans were closed in Pinellas County.

This case was investigated by Federal Bureau of Investigation. It was prosecuted by Assistant United States Attorney Thomas N. Palermo.

This case is a part of the Middle District of Florida's Mortgage Fraud Initiative, a joint

effort by the U.S. Attorney's Office and federal, state, and local law enforcement agencies throughout the Middle District of Florida. It is a "Phase II" case, brought following the initial wave of Mortgage Fraud Initiative prosecutions, the Mortgage Fraud Surge, which occurred over ten months in 2009 and netted more than 100 defendants. Phase II of the Mortgage Fraud Initiative seeks to build upon the Surge, expanding upon surge leads and techniques to uncover and prosecute increasingly complex mortgage frauds.